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Snappy Kraken CEO Robert Sofia

## NEWS

### **Snappy Kraken Unveils AI-Powered Email Builder**

**The new tool uses an API integration from OpenAI, the creator of text-based chatbot ChatGPT and image generator DALL-E.**

Rob Burgess | Aug 22, 2023

Advisor marketing firm Snappy Kraken announced Tuesday the launch of its AI-powered, drag-and-drop email builder, which is now generally available to the company's users.

The feature seeks to help advisors generate images, headlines and text to drive conversations, according to the company.

Snappy Kraken's new email builder uses an API integration from OpenAI, the creator of text-based chatbot ChatGPT and image generator DALL-E. Snappy Kraken CEO Robert Sofia said his company is an API-first platform, meaning it can switch integrations as needed. He said they've been testing with other AI providers as well, and they may replace OpenAI on the back end eventually.

Snappy Kraken is not the first company of its kind to enter the AI space recently. For example, in March, FMG Suite, a marketing technology

company for financial advisors, announced the launch of a new AI-powered content personalization engine for social media content.

Over the past few months, Sofia has repeatedly expressed concerns about the use of AI.

“I think of it like putting a chainsaw in the hands of a toddler,” said Sofia, during a March interview with [Wealthmanagement.com](#). “A chainsaw is great. But you better know how to use it. You better have the right safety equipment. You better have the right training. Some things have to be done to make that technology effective.”

Last week, Sofia revealed they had been experimenting with AI technology for over a year but said they hadn’t felt comfortable enough to release anything until now. He said at first, they felt there weren’t enough guardrails in place. However, they have been testing the current incarnation of the new email-building feature for almost four months with a small group of clients.

Wally Okby, strategic advisor for wealth management for Datos Insights (formerly the Aite-Novarica Group), said overall, AI-powered email marketing can potentially improve the ability for advisors to compete against others in the market. This technology can allow them to create campaigns that are highly customizable at scale to connect with more clients and prospects. Okby said the AI technology can adjust for behavioral demographics, preferences, lifestyles, life stages, talents, employment status, geographical location and more.

Sofia said he had tasked his engineering team with training the AI system to create images to accompany emails. The early results were less than stellar.

“When we first started with allowing advisors to prompt it themselves, they would type in, ‘Give me a picture of a family at a beach having fun.’ And then the picture would come out and they’d have their fingers all chopped off,” said Sofia.

The engineering team then tinkered with the process so that when an advisor gives the AI a prompt, it analyzes what has been asked of it, then responds to the user asking what style they want the answer in and produces six alternatives for the user to choose from, he said.

“Although it creates two extra steps, they end up with a much better output,” said Sofia.

The team also added a compliance check to ensure images receive a human review prior to going out to clients or prospects. He said some firms even require additional steps due to internal rules.

Sofia's team is looking to the future and training their internal systems to perform compliance functions as well. He said this includes identifying keywords and other triggers that are known issues for regulators, allowing the platform to automatically flag and filter them.

“Within the coming months, it won’t even have to necessarily have to have a person review it unless the firm requires that,” said Sofia. “We’re excited about (the) potential ... to take the whole compliance review burden off completely...I don’t want to scare all the compliance officers, but I think it has the potential to turn a lot of compliance officers into AI trainers instead of content reviewers.”

But, whatever the future may hold, Sofia and others cautioned that an automated system from beginning to end was not a substitute for some amount of human control.

Okby said that having a person at the helm, managing the outputs and converting leads to new sales can’t be overlooked or ignored, as AI hallucination will continue to exist for some time to come.

“The power of generative AI is still rather unknown,” said Okby. “Therefore, the need for humans to remain in the loop indefinitely.”

William Trout, director of wealth management for Javelin Strategy and Research, said human oversight of AI-generated marketing content is key. He said this is true especially when advisors are reporting and communicating to a regulator, be it the SEC or state authorities. Trout specifically referenced the focus on performance data, client testimonials and third-party endorsements in the new SEC marketing rule which went into effect in November 2022.

“It’s too big and important an undertaking to be left to the machines,” said Trout.

Sofia said as this AI technology is showing up in more and more places, it will be more important than ever to exercise caution using it in regulated industries.

“They’re probably safer using it inside of tools that were designed for advisors and have compliance controls,” said Sofia.

The other problem Sofia warned of was the potential flattening effect of everyone drawing from the same AI models to generate content.

“It is effective for certain types of things, but when it comes to an advisor’s brand, an advisor’s unique value proposition, the copy of their website, they need to still have human creators’ original thought,” he said. “They can use

AI for research and to enhance it, but they need to be cautious with trusting AI to do everything for them because that will mean they are not unique.”

Since Snappy Kraken’s inception in 2016, it has sent more than 100 million emails on behalf of advisors, according to the company. In May 2022, Snappy Kraken acquired Advisor Websites, which gave the firm tools to brand and build websites for advisor clients. A year later, the company unveiled a new "unified system" that integrates all three of its current pillars—websites, marketing automation and text message marketing—into one unified tool and single sign-on. In March, Snappy Kraken laid off some employees as part of the integration with Advisor Websites, which roughly doubled the size of its workforce. Sofia would not say how many people were let go, but that there were some redundancies in roles and responsibilities. In July, Snappy Kraken announced a partnership with Idea Decanter, which allows advisors to personalize and record videos using provided scripts.